VZCZCXRO8675
RR RUEHDBU
DE RUEHMO #5557/01 1460733
ZNY CCCCC ZZH
R 260733Z MAY 06
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC 6483
INFO RUCNCIS/CIS COLLECTIVE
RUEHXD/MOSCOW POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 005557

STPDTS

SIPDIS

DEPARTMENT FOR INL, G/TIP

E.O. 12958: DECL: 05/23/2016
TAGS: ECON PGOV PHUM PREL RS SOCI

SUBJECT: AMBASSADOR'S MAY 23 MEETING WITH DUMA FIRST DEPUTY

SPEAKER MOROZOV

REF: A. MOSCOW 4951

¶B. MOSCOW 5382 ¶C. MOSCOW 0019

Classified By: Ambassador William J. Burns, for reasons 1.4 (B & D).

11. (C) SUMMARY. Ambassador met May 23 with Duma First Deputy Speaker Oleg Morozov, who agreed that inter-parliamentary exchanges should be encouraged. He noted that a newly created Duma working group will address legislative initiatives proposed by President Putin in his Annual Address. Morozov offered insights on bills eliminating some draft deferments, liberalizing immigration, restricting "hidden" political party alliances, and combating trafficking in persons. END SUMMARY.

MORE INTER-PARLIAMENTARY COMMUNICATION ENCOURAGED

12. (C) In a May 23 call on State Duma First Deputy Speaker Oleg Morozov (who is also First Deputy Chairman of the United Russia fraction), the Ambassador said that despite differences between Russia and the U.S., both sides had much to gain by working together. He had already talked to Duma Speaker Gryzlov and International Committee Chair Kosachev about strengthening interaction between the Duma and Congress. He noted, for example, that last year the Duma sent a delegation to the U.S. and the House reciprocated with a delegation to Moscow. He hoped to encourage a delegation from the House to come again, and noted that Senator Lott would visit the Federation Council in July. Morozov said he did not know of any plans for a visit this year, but agreed that increased communication and more exchanges would be beneficial.

DUMA TO WORK ON IMPLEMENTING PUTIN'S ANNUAL ADDRESS

- ¶3. (C) Morozov noted that on May 19 the Duma had established a working group to implement ideas proposed by President Putin in his May 10 Annual Address to the Federal Assembly (poslaniye) (ref A). Morozov will head the group, which includes three deputies from each faction and the heads of all Duma committees. He said by May 25 the main contours of the group's work plan would be finalized. He emphasized that achieving the goals set forth in the Address was not just a one-year project but a long-term, strategic endeavor. The working group would coordinate development of bills among the government, factions, and committees, but would not draft bills itself.
- 14. (C) Morozov said the Duma was already looking at the 2007 federal budget and how the initiatives raised in the Address would affect it. Finance Minister Kudrin was mistaken in

estimating the initiatives' cost at 40 billion rubles (approximately USD 1.5 billion); it would actually be four to five times greater at a minimum. Morozov suggested that the Stabilization Fund could be tapped to fund some initiatives. Although the Fund's minimum of 500 billion rubles had been reached long ago, a maximum amount still had to be set. Once the ceiling was determined, any surplus over that amount could be used to address the Kremlin's initiatives, especially demographic issues.

DEFERMENT BILL RE-WORKED TO CORRESPOND TO NEW GOALS

 $\underline{\P}5.$ (C) Looking ahead, Morozov said that every bill brought before the Duma would be considered through the prism of the Address, and that meant that some bills would have to be reworked accordingly. In particular, Morozov mentioned four bills for reforming the armed forces (ref. A, B), whose second readings had been postponed from mid-May to June. said that while one of the goals in the Address was strengthening the army and increasing the number of draftees, improving Russia's demographic situation and the welfare of young families also had to be taken into account. He supported a choice between a one-year deferment or a compensation package of 6,000 to 7,000 rubles a month (about USD 220 to USD 260) for families with a pregnant wife, an infant up to one year old, or invalid children up to a certain age. However, there was some opposition in the Duma to offering a choice between a one-year deferment and compensation, since the rich would choose the deferment and the poor would choose compensation. Despite that debate, Morozov said he expected the bill to be passed in June.

NEW LAW WILL LIBERALIZE IMMIGRATION

MOSCOW 00005557 002 OF 002

 $\underline{\P}6.$ (C) Morozov said he was one of the authors of a new bill that would remove difficult registration requirements for foreign workers, making it possible for illegal foreign workers to achieve legal status more easily. The U.S. was becoming more conservative in its attitude toward illegal immigrants, he said, while Russia was becoming more liberal. If Russia were to expel the approximately 15 million illegal workers in Russia, it would be a serious blow to the economy. Legalizing illegal workers would enable authorities to control them -- since they would no longer have to hide -- and would improve the economy since the workers would receive a legitimate salary, pay taxes, be registered for health care, and rent or own property more transparently. He said this bill was supported by the Presidential Administration and the Duma; it passed its first reading in late March by a wide margin and was likely to be passed quickly in its second and third readings.

POLITICAL PARTY LAW WILL ABOLISH "HIDDEN ALLIANCES"

17. (C) The Ambassador asked Morozov about the new bill to abolish "hidden alliances" between political parties, which passed its first reading May 17. Morozov responded that he supported the bill's overall concept -- but not all of its provisions -- and it was highly likely to pass in June or July. Introduced by United Russia and LDPR deputies (and vigorously opposed by the Communist Party and Rodina), the bill has two main provisions: to prohibit political parties from putting members of other parties on their electoral lists, hence removing the possibility of election alliances, and to prohibit Duma members from leaving their faction or party to join another once they have been elected to the Duma. Morozov said he agreed with the first provision since "hidden alliances" during elections deceived voters. He did not agree with the second provision, since Duma deputies sometimes changed their political philosophy during their term and should not be forced to remain in a party they no

longer supported.

IMPORTANCE OF FIGHT AGAINST TRAFFICKING IN PERSONS

 $\P8.$ (C) The Ambassador stressed the importance that the U.S. attaches to the trafficking in persons (TIP) issue, and the value of comprehensive legislation for Russia's efforts. He noted that the U.S. and other countries had passed such laws, which made it easier to cooperate effectively on an international level to combat TIP. Morozov agreed fully on the significance of the TIP problem in Russia, and the Duma's role in combating it. He added that a deputy was working on a bill, but it would not be introduced until perhaps the fall session. He said that if such a bill were introduced, it would be unlikely to face opposition, but it could have a domino effect on other laws -- such as the Criminal Code -which would then have to be amended. Ambassador noted U.S.-Russian cooperation on TIP, and urged early progress on comprehensive legislation. BURNS